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From: "Wayne Stout" <stoutheartedmen@gmail.com>
To: <fruitacopyship@acsol.net>
Sent: Wednesday, August 24, 2011 8:10 AM
Subject: Fwd: stipulation re Board matter.

FILED

AUG 24 2011

SECRETARY, BOARD OF
OIL, GAS & MINING

----- Forwarded message -----

From: Steve Alder <stevealder@utah.gov>
Date: Tue, Aug 23, 2011 at 5:55 PM
Subject: stipulation re Board matter.
To: stoutheartedmen@gmail.com
Cc: Clinton Dworshak <clintondworshak@utah.gov>, John Rogers <johnrogers@utah.gov>, Julie Ann Carter <JULIECARTER@utah.gov>, Mike Johnson <mikejohnson@utah.gov>

Wayne Stout
Encore Energy LLC

I am writing to you to document our discussions regarding the hearing set for tomorrow in Docket 2011-010 Cause no. 102-81, Encore Energy appeal of Division Order.

The hearing is in regarding the Division's Order that the Tornilson Fee#1 well operated by Encore be plugged and the bonds held for the well be forfeited and used by the Division for that purpose. We have continued this matter once for 30 days and a second time for 60 days to accommodate an anticipated sale and promises that the buyer would conduct an MIT and provide full cost bonding. These promised actions have not occurred.

I understand that you now have a different party (Summit Energy) that has agreed to acquire the Well and that you believe it will not take more than 30 days for the sale to be concluded which will include an MIT and replacement bond in the revised amount.

To accommodate this potential while preserving the Division's request for an order to plug and reclaim the wells, the Division has proposed and you agree that at the hearing on August 24, 2011 the Board based on the pleadings and without further testimony may enter your default and grant the relief prayed for; i.e. requiring the plugging of the wells and forfeiture of the sureties; provided however and subject to the condition that the Order will not be entered for 30 days or until the September Board hearing and that if the new buyer completes the transfer, including completion of the MIT and posting of a bond, then the Order will be withdrawn and the matter will be dismissed.

If you are in agreement with this proposal I will present it to the Board for their consideration and if it is granted an order to that effect will be prepared.

You acknowledge that you have been advised that you should consult with an attorney if you have questions about this stipulation. You are also encouraged to appear or have someone appear on your behalf. However, I understand your health makes it difficult to travel and you intend this email to represent your intentions.

If you are in agreement please sign and fax a copy to me at 801 538 7440 and send your email response confirming your agreement.

Steve Alder,
Assistant Attorney General
Counsel for Division

8/24/2011

Agreed Wayne Stout
Wayne Stout

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